MEMORANDUM FOR: Chief, Plans and Programs Staff, OL

SUBJECT

Impact of Possible Legislative Restrictions on

DD/A Activities

REFERENCE

: Memo dtd 31 October 75 to D/L frm Assistant for Information, DD/A, Subject: Same as above.

1. The referent indicated two areas of the RECD mission in which possible legislative restrictions could have an impact on the mission of the DD/A to fulfill his current functions and responsibilities to the Agency.



exposure of the operations involved. We see no other manner in which such properties could be obtained and operated.

- With reference to "CIA requires the authority to acquire. construct, maintain, purchase, lease, fund and dispose of foreign covert real property," we offer the following comments. To meet our charter requirements of collecting foreign intelligence the Agency requires facilities on foreign soil. The essence of the Agency's ability to operate covertly anywhere in the world depends on the ability of our field personnel to deal with people in a way that does not identify them with the Agency, or the Agency with them. If the Agency is not permitted to function covertly outside of the United States, the impact would be to reduce our capability to function to a meaningless value. Very few foreign nations would willingly permit the Agency to overtly establish facilities in their countries when the target was a sensitive neighbor, and if the target was the host country, our moves would be identified and the value of our effort would be reduced to overt collections from newspapers, radio, magazines, and journals.
- 4. The procurement of material (and I would add services such as design, material testing, and construction) through covert channels is important to isolate Agency interests from a project or a facility for all of the same reasons as stated in paragraph 3 to procure facilities. Accommodation procurement appears to have its greatest value in good relations with a foreign government or foreign officials. Occasionally, it results in a facility operated by a foreign government that shares a "take" with us and, without the accommodation procurement, the facility would not exist or we would not have a valid reason for any more than asking for a share of the "take."

Real Estate and Construction Division, OL

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DEPOTS AND TRANSPORTATION

- 1. The operation of supply depots, coupled with the capability to transport materiel, is essential to the Agency's ability to economically and securely sustain its routine global operations, as well as provide logistical support to those projects and activities undertaken by the Agency in response to U.S. Government policy.
- 2. A depot serves a multitude of purposes. As with any efficient, cost effective business, centralized procurement, receipt, storage, issue, packing and shipping are essential. The alternatives would be an inefficient, fragmented supply system with a proliferation of small decentralized supply operations having considerably more capital invested in inventory. Being a controlled entity, i.e., affording a high degree of physical and personnel personnel it provides a "cut out" between the vendor and the ultimate consumer. In this regard, it serves to protect the identity of our covert installations and their personnel, which ultimately denies intelligence sources and methods to the opposition.
- 3. In the event the Agency is denied depot transportation capability, it would be very difficult to logistically support even the small installations. The cover organizations could possibly take up some of the slack, but support would neither be dedicated, responsive or secure to the degree required. The larger overseas in-

secure to the degree required. The larger overseas in-Approved For Release 2002/01/08 : CIA-RDP85-00759R000100050004-7

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stallations, projects and special activities, requiring substantial quantities of materiel on a timely basis, could not be supported in these circumstances.

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OJCS 4285-75 6 NOV 1975

MEMORANDUM FOR: Assistant for Information, DDA

SUBJECT : Impact of Possible Legislative Restric-

tions on SDA Activities

REFERENCE : Your memo dtd 31 Oct 75, same Subject

1. This memorandum is in response to your request for comments on the following core activity which is pertinent to the Office of Joint Computer Support:

"CIA requires the authority to lease, purchase and operate computers dedicated solely to CIA matters without reference to other government agencies."

2. Background:

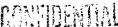
a. In any discussion of this subject it is important to recognize that while OJCS operates the largest computer activity in the Agency, it accounts for approximately half of the total resources dedicated to computer operations. The Office of Communications, NPIC, and Office of ELINT are major operators of computer equipment, and there are others.

The phrase "without reference to other government agencies," in our opinion is misleading. It is our understanding that this phrase is intended as a disclaimer to certain news reports which alleged that CIA computers were part of a network of government computers including the FBI, IRS, Social Security and other government agencies that could be used to gain a wide variety of information on U.S. citizens. While this is untrue, it would be misleading to say that all of the work done on our computers is "without reference to other government agencies." For example, the NPIC computers are a part of the COINS network which makes certain CIA intelligence data available to MSA, DIA and other DOD organizations. Further, we are required by law to furnish certain information on employee wages. and taxes to Federal government agencies such as the Social Security Administration and Internal Revenue Service, as well as to various state and local government departments.

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This information is provided in the form of computer tapes or computer printouts. Also, employee paychecks are routinely prepared on computers in the Treasury Department using a magnetic tape that is prepared on CIA computers for this purpose. Computers in the Office of Communications that are used for message handling are connected to communications switching systems in other government agencies.

c. For these reasons, it would be more appropriate to say:

"CIA requires the authority to lease, purchase and operate computers to carry out its intelligence mission, for management and administrative activities which support the intelligence function, and for reporting information to other government agencies when required by law to do so."

- d. In leasing, purchasing and operating computers the Agency is bound by the General Services Administration, Federal Property Management Regulations 101.32, Government-Wide Automated Data Management Services. A general delegation of procurement authority (DPA) was made by M.S. Meeker, Commissioner, GSA, to the Director, CIA, on 7 December 1973 describing the conditions applying to this delegation of procurement authority. A copy of this delegation is attached. The effect of this delegation is to allow us to handle our own procurement actions so long as they are, within the bounds of security, handled according to all of the provisions of the Federal Property Management Regulations. GSA then conducts an annual review of our ADP procurement actions.
- e. In the development and application of ADP Standards, CIA collaborates with the National Bureau of Standards, Institute for Computer Sciences and Technology, which has primary responsibility for ADP standards.
- 3. Impact if legislation were passed precluding us from performing the core activity.

We believe it is totally unrealistic to consider that legislation might be passed which would prevent the Agency from leasing, purchasing or operating computers. But if one is asked to describe the impact if this were done, one would have to say that the Agency could not function. The scientific data that must be manipulated for operation of many sophisticated collection systems such as overnead reconnaissance could not be done nanually, and we would not be able to control such systems.

Financial accounting, payrolls, tax reports, and similar administrative workloads could not feasibly be handled without computers. Communications have also become dependent upon computers for storing and forwarding messages. Large information storage and retrieval systems for intelligence files and administrative files could not be maintained, searched or used for reporting purposes without computers. In 1889, the Census Bureau reached the point where it could no longer complete the analysis of census data without automatic data processing equipment; this agency passed the point where it could operate without computers over 15 years ago.

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HAZRY E. FITZWATER
Director of Joint Computer Support

Att

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31 October 1975

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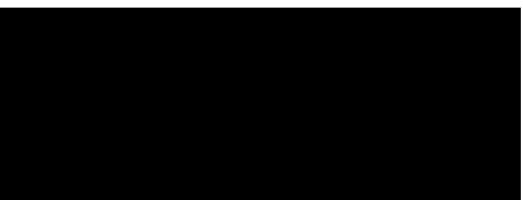
MEMORANDUM FOR: Director, Office of Logistics

SUBJECT:

Impact of Possible Legislative Restrictions

on DDA Activities

The Action Plans Task Force is preparing a study to indicate the impact which possible legislative restrictions could have on the effectiveness of the United States foreign intelligence effort. One step in preparing this study is to identify "core" activities of various components of the Agency that are important if not critical to the Agency's ability to carry out its mission. An attempt has been made to identify those "core" DDA activities for which authority is not explicitly or implicitly provided in existing statutes. If legislation were passed precluding the Agency from performing these activities in the manner of years past, such legislation might seriously hamper the DDA from fulfilling his functions and responsibilities. With respect to your office, the following activities tentatively have been identified as "core" activities:



CIA requires the authority to engage in sole source procurement.

CIA requires the authority to lease, purchase and operate computers dedicated solely to CIA matters without reference to other government agencies.

- e. CIA requires the authority to acquire, construct, maintain, purchase, lease, fund and dispose of foreign covert real property.
- 2. If you concur that these are in fact "core activities" of your office, would you please provide a statement for each activity indicating what the impact would be if legislation were passed precluding us from performing such activity. At the same time, would you please identify other activities that may fall within this category and that are not included in the above list.

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Assistant for Information

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